

## EXHIBIT B



# ERICSSON LM TELEPHONE CO (ERIC)

TELEFONPLAN S  
STOCKHOLM SWEDEN, V7 126 25

<http://www.ericsson.com/>

## 20-F

FORM 20-F

Filed on 04/21/2008 - Period: 12/31/2007

File Number 000-12033



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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
 Washington, D.C. 20549

**Form 20-F**

- ☐ Registration statement pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934  
or
- ☒ Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the Fiscal Year Ended December 31, 2007  
or
- ☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from/to  
or
- ☐ Shell company report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
Date of event requiring this shell company report:  
Commission file number 000-12033

**TELEFONAKTIEBOLAGET LM ERICSSON**  
 (Exact Name of Registrant as Specified in Its Charter)  
**LM ERICSSON TELEPHONE COMPANY**  
 (Translation of Registrant's Name Into English)

Kingdom of Sweden  
 (Jurisdiction of Incorporation or Organization)  
 SE-164 83 Stockholm, Sweden  
 (Address of Principal Executive Offices)  
 Roland Hagman, Vice President Group Function Financial Control  
 Telephone: +46 8 719 53 80, Facsimile: +46 8 719 42 22  
 SE-164 83 Stockholm, Sweden  
 (Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class

American  
 Depositary  
 Shares  
 B Shares

Name of Each Exchange on Which Registered

The NASDAQ Stock Market LLC  
 The NASDAQ Stock Market LLC\*

\* Not for trading, but only in connection with the registration of the American Depositary Shares representing such B Shares pursuant to the requirements of the Securities and Exchange Commission

Securities registered pursuant to Section 12(g) of the Act:  
 None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:  
 None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report:

B shares (SEK 1.00 nominal value)  
 A shares (SEK 1.00 nominal value)  
 C shares (SEK 1.00 nominal value)

14,823,478,760  
 1,308,779,918  
 0

Indicate by check mark if the registrant is a well-seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐  
 If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒  
 Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act.

☒ Large accelerated filer      ☐ Accelerated filer      ☐ Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:  
US GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

Indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☒ Item 18 ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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*Our Annual Report on Form 20-F consists of the Swedish Annual Report for 2007, with certain adjustments to comply with U.S. requirements, together with certain other information required by Form 20-F which is set forth under the heading Supplemental Information. The following cross reference table indicates where information required by Form 20-F may be found in this document.*

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<b>Exhibit 3</b>	Not applicable	
<b>Exhibit 4.1</b>	Memorandum of Agreement, dated 25 October 2005, Telefonaktiebolaget LM Ericsson and Marconi Corporation plc incorporated by reference to our Form 20-F dated May 18, 2006	
<b>Exhibit 4.2</b>	Agreement and Plan of Merger Between Telefonaktiebolaget LM Ericsson (Publ), Maxwell Acquisition Corporation and Redback Networks Inc. Incorporated by reference to our Form 20-F dated June 7, 2007	
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<b>Exhibit 15.1</b>	Consent of Independent Registered Public Accounting Firm	

- 1) The Company's holding in Sony Ericsson Mobile Communications AB meets the requirements of SEC Rule 3-09 under Regulation S-X for the provision of separate financial statements of Sony Ericsson, a non-listed Swedish company that has a December 31 fiscal year end. Pursuant to SEC rules, the financial statements of Sony Ericsson will be filed as an amendment to this Annual Report as soon as practicable after they become available.

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**EVERY MOMENT COUNTS**

Freeze any moment in time, anywhere in the world. No matter where you look, you will find people taking advantage of telecommunications: at home, on city streets, in remote locations, at work, in transit.

They are talking, working, keeping in touch, exchanging ideas, buying, selling, checking news, downloading information, watching videos. No matter what they are doing, it's a new, natural part of their lives. In many ways, Ericsson is at the heart of this. Our technology and services make these moments possible.

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**THE ERICSSON ADVANTAGE**

Ericsson provides communication networks, professional services and multimedia solutions to the world's largest and most demanding operators and service providers.

We are also engaged in bringing telecommunication to benefit people in developing areas of the world.

**LONG-TERM DEDICATION TO OUR CUSTOMERS**

The essence of the telecommunication business is long-term and trusted relationships between vendors and operators. With records of service exceeding a century in almost every market in the world, Ericsson has some of the strongest operator relationships in the industry. Simply put, operators know what they get when they choose to work with Ericsson—a trusted partner committed to making them as successful as they can possibly be.

**TECHNICAL SUPERIORITY**

For more than 130 years, Ericsson's commitment to research and development has been at the heart of the Company's vision to provide the means for people everywhere to communicate. In addition to substantial contributions to standardization organizations, Ericsson has one of the industry's strongest patent portfolios with approximately 23,000 granted worldwide. Furthermore, we capitalize on our investments by creating, securing, protecting and licensing our portfolio of patents in support of our business goals.

**OPERATIONAL EXCELLENCE**

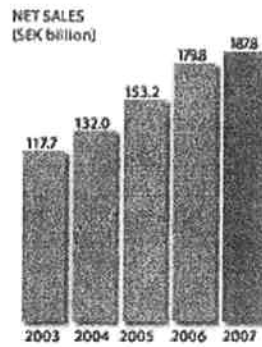
Simple, efficient and effective processes that consistently yield high-quality products and services with low cost of ownership provide competitive advantage. In this way we help our customers become as successful as they possibly can. Operational excellence, combined with our core values of professionalism, respect and perseverance, is instrumental to our ways of working.

**THE ERICSSON VISION**

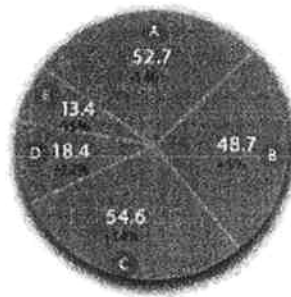
Our vision is to be the prime driver in an all-communicating world. A world in which all people can use voice, text, images and video to share ideas and information whenever and wherever they want. As the leading supplier of communication networks and services, Ericsson plays a vital role in making such a world a reality.

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**OUR 10 LARGEST MARKETS 2007**  
percent of total sales



**SALES BY REGION 2007**  
Ericsson net sales (SEK billion)  
and change (%) year-over-year

- A** Western Europe
- B** Central & Eastern Europe, Middle East and Africa
- C** Asia Pacific
- D** Latin America
- E** North America

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ERICSSON ANNUAL REPORT ON FORM 20-F 2007

**FOUR-YEAR SUMMARY**

<u>SEK million</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net sales	187,780	179,821	153,222	131,972
Operating income	30,646	35,828	33,084	26,706
Financial net	83	165	251	-540
Net income	22,135	26,436	24,460	17,836
<u>YEAR-END POSITION</u>				
Total assets	245,117	214,940	209,336	186,186
Working capital	86,327	82,926	86,184	69,268
Capital employed	168,456	142,447	133,332	115,144
Net cash	24,312	40,728	50,645	42,911
Property, plant and equipment	9,304	7,881	6,966	5,845
Stockholders' equity	134,112	120,113	101,622	80,445
Minority interests	940	782	850	1,057
Interest-bearing liabilities and post-employment benefits	33,404	21,552	30,860	33,643
<u>OTHER INFORMATION</u>				
Earnings, per share, basic, SEK <sup>1)</sup>	1.37	1.65	1.53	1.11
Earnings, per share, diluted, SEK <sup>1)</sup>	1.37	1.65	1.53	1.11
Cash dividends per share, SEK <sup>1)</sup>	0.50	0.50	0.45	0.25
Stockholders' equity per share, SEK <sup>1)</sup>	8.44	7.56	6.41	5.08
Number of shares (in millions)				
—outstanding, basic, at end of period <sup>1)</sup>	15,900	15,881	15,864	15,832
—average, basic <sup>1)</sup>	15,891	15,871	15,843	15,829
—average, diluted <sup>1)</sup>	15,964	15,943	15,907	15,895
Additions to property, plant and equipment	4,319	3,827	3,365	2,452
Depreciation of property, plant and equipment	3,121	3,007	2,804	2,434
Acquisitions/capitalization of intangible assets	29,838	18,319	2,250	1,950
Amortization of intangible assets	5,433	4,237	3,269	2,306
Research and development expenses	28,842	27,533	24,059	23,421
—as percentage of net sales	15.4%	15.3%	15.7%	17.7%
<u>RATIOS</u>				
Operating margin	16.3%	19.9%	21.8%	20.2%
Operating margin excluding Sony Ericsson	12.5%	16.7%	20.3%	18.6%
Cash conversion	66%	57%	47%	80%
Return on equity	17.2%	23.7%	26.7%	24.2%
Return on capital employed	20.9%	27.4%	28.7%	26.4%
Equity ratio	55.1%	56.2%	49.0%	43.8%
Capital turnover	1.2	1.3	1.2	1.2
Inventory turnover	5.2	5.2	5.1	5.7
Trade receivables turnover	3.4	3.9	4.1	4.1
Payment readiness, SEK million	64,678	67,454	78,647	81,447
—as percentage of net sales	34.4%	37.5%	51.3%	61.7%
<u>STATISTICAL DATA, YEAR-END</u>				
Number of employees	74,011	63,781	56,055	50,534
—of which in Sweden	19,781	19,094	21,178	21,296
Export sales from Sweden, SEK million	102,486	98,694	93,879	86,510

- 1) Data will be impacted by the reverse split with effective date in June 2008, resolved by the Annual General Meeting of Shareholders April 9, 2008.
- Selected financial data for 2003 have been omitted because such information cannot be restated in accordance with IFRS without unreasonable effort and expense.
- For definitions of the financial terms used, see Financial Terminology.

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**FINANCIAL TERMINOLOGY**

**Capital employed**

Total assets less non-interest-bearing provisions and liabilities.

**Capital turnover**

Net sales divided by average Capital employed.

**Cash conversion**

Measures the proportion of profits that are converted to cash flow. Total cash flow from operating activities is divided by the sum of net income and adjustments to reconcile net income to cash—expressed in percent.

**Cash dividends per share**

Dividends paid divided by average number of shares, basic.

**Compound annual growth rate (CAGR)**

The year-over-year growth rate over a specified period of time.

**Days sales outstanding (DSO)**

Trade receivables balance at quarter end divided by Net Sales in the quarter and multiplied by 90 days. If the amount of trade receivables is larger than last quarter's sales, the excess amount is divided by Net Sales in the previous quarter and multiplied by 90 days, and total days outstanding (DSO) are the 90 days of the most current quarter plus the additional days from the previous quarter.

**Earnings per share**

Basic earnings per share; profit or loss attributable to stockholders of the Parent Company divided by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share; the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

**Equity ratio**

Equity, expressed as a percentage of total assets.

**Inventory turnover**

Cost of Sales divided by average inventory.

**Net cash**

Cash and cash equivalents plus short-term cash investments less interest-bearing liabilities and post-employment benefits.



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**Payable days**

The average balance of Trade payables at the beginning and at the end of the year divided by Cost of sales for the year, and multiplied by 360 days.

**Payment readiness**

Cash and cash equivalents and short-term investments less short-term borrowings plus long-term unused credit commitments. Payment readiness is also shown as a percentage of Net Sales.

**Return on capital employed**

The total of Operating income plus Financial income as a percentage of average capital employed (based on the amounts at January 1 and December 31).

**Return on equity**

Net income attributable to stockholders of the Parent Company as a percentage of average Stockholders' equity (based on the amounts at January 1 and December 31).

**Stockholders' equity per share**

Stockholders' equity divided by the Number of shares outstanding, basic, at the end of the period.

**Trade receivables turnover**

Net sales divided by average Trade receivables.

**Value at Risk (VaR)**

A statistical method that expresses the maximum potential loss that can arise with a certain degree of probability during a certain period of time.

**Working capital**

Current assets less current non-interest-bearing provisions and liabilities.

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**DEAR FELLOW SHAREHOLDERS,**

This year's theme "Every Moment Counts", is at the very core of Ericsson's vision of an all-communicating world. We are helping to create a world in which all people can have access to information, entertainment, social networks and more, whenever and wherever they want. It is exciting to talk about products and services that enrich the everyday lives of billions of people around the world.

Given such industry dynamics, I think it is important to put this year's developments into a longer-term perspective. When I joined Ericsson five years ago, the Company was emerging from one of the deepest crises in its history. Our focus then was and still is to "generate sustainable growth and provide competitive returns to our investors, regardless of day-to-day market fluctuations." By basing our strategy on technology leadership, economies of scale, operational excellence, a focus on the consumer and lower cost of ownership for our customers, we have consistently outperformed the competition.

We continued to make progress during 2007, but, during the autumn, we experienced significant unexpected margin compression in our networks business as a consequence of a changing business mix. Although 2007 was one of the most profitable years in the Company's history, our operating margin fell well below expectations at the end of the third quarter, which made us issue a profit warning in mid-October.

Market growth has continued to slow down, especially in mature markets, and we find it prudent to plan for a flattish mobile infrastructure market for 2008. Consequently, we will adjust our cost basis to be in line with the anticipated market development while continuing our R&D investments and thereby further strengthen an already strong competitive position.

A thorough review of our strategy, the business environment and our ways of working show that our strategy has been effective and should not be changed.

We are determined to continue to improve our position even in an increasingly challenging market. Our longer-term outlook remains positive and we are aiming to do for broadband communications what we have already done for telephony—make it mobile and available to everyone, everywhere. In addition, we intend to lead the industry in migrating fixed and mobile networks into a converged IP-based network which is able to efficiently handle all forms of telecommunication, applications and services.

Ericsson already has a good starting position for taking the lead in this migration, and with the acquisitions of Marconi, Redback and Entrisphere we:

- Provide broadband services to homes and offices over optical fiber, radio or copper with our fixed broadband access portfolio.
- Provide broadband services to mobile devices with our mobile broadband technology.
- Interconnect fixed and mobile access with our optical and radio transmission systems, softswitches and IP-routers.
- Manage service delivery and revenues with an IMS-based service network.
- Support operators in planning, implementing and operating their networks with our Professional services.

Whether you are at home, at work or anywhere else, we will be there, ensuring that your multimedia services work seamlessly, regardless of what device you are using or how you are connected. This puts Ericsson in an even stronger position.

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Consumers are quickly becoming accustomed to having affordable mobile broadband services available with the same performance on the go as on their PC at work or at home. It has only been a few years since the introduction of Web 2.0 applications like YouTube or Facebook, and yet people already expect to be in control of how they use the Internet—to instantly share content they create themselves as well as access content created by others.

We all have a basic need and desire to communicate and with the rapid deployment of mobile networks in emerging markets, we have come far in our ambition of making communications for all a reality. But now it's time to further expand the social, economic and environmental benefits of telecommunications by also making mobile broadband available and affordable for the majority of the world's population.

A year ago, we established segment Multimedia to better address and develop the potentially huge market for access and distribution of content, advertising and multimedia communications via broadband IP-based networks. We made several strategic acquisitions to improve our capabilities in these areas in addition to our own ongoing activities.

Over the coming years, we will see new services, new devices and new ways of communicating but, more importantly, many more people connected. Think about what this means in terms of making a person's life better by making every moment count even more. I take great pride in the part Ericsson plays in making that happen.

Yours truly,

Carl-Henric Svanberg  
President & CEO

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**OUR BUSINESS FOCUS 2007****—BUILDING ON LAST YEAR'S PROGRESS****1. Reaching more people**

We provided access for many new subscribers that previously could not afford service or lived outside coverage areas.

We implemented solar panels to power radio base stations in remote areas.

We extended our leadership in telecom services—supporting over 1 billion subscribers—24 hours/day—seven days a week.

More than 650 million people can now pay for multimedia services with their mobile phones using Ericsson's IPX payment and delivery solution.

**2. Increasing speed and capacity**

HSPA takes off: 81 commercial 3G/HSPA mobile broadband networks out of a total of 166 around the world were powered by Ericsson at year-end.

Fiber access technology enables delivery of HD-TV services over IP networks. We acquired Entrisphere to complement our fixed access portfolio with fiber.

We delivered a variety of optical and radio transmission solutions to operators to accommodate the increasing data traffic as people generate and share more of their own content.

**3. Preparing for the future**

Through Ericsson ConsumerLab, we conducted more than 40,000 interviews, to gain valuable insight on consumer behavior and trends.

We supported operators preparing for an all-IP network environment by deploying softswitch, IMS and transport solutions.

We also supported customers merging their mobile and fixed networks into one full-service broadband network.

Ericsson invested in fixed broadband and multimedia, acquiring Tandberg Television, Redback Networks, Entrisphere, Drutt, Mobeon and LHS.

**4. Expanding our role**

Our market share increased, with numerous new and expanded agreements to supply network equipment and/or services during the year. The new buildouts pave the way for future upgrades and expansions.

We continued our progress as prime integrator and managed services partner by

- managing large technology shift projects.
- integrating multi-vendor equipment in customer networks.

Over 28,000 service professionals in more than 140 countries provide local competence and global expertise.

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**OUR STRATEGY**

The notion of an all-communicating world is rapidly gaining momentum and drives the convergence of the telecommunications, Internet and media industries.

By helping operators to evolve and improve their networks to efficiently handle multimedia capabilities, we are creating a world in which all people can have affordable access to information, entertainment, social communities and more, whenever and wherever they want. In the course of making people's lives easier and more productive we are spurring socio-economic development which brings our vision closer to reality.

With the ambition of being the prime driver in an all-communicating world, we have divided our operations into segments that create competitive advantage and best meet the needs of our global customer base.

**Networks**—technology leadership, a broad product portfolio and scale enables Ericsson to excel in meeting the coverage, capacity and network evolution needs of fixed and mobile operators.

**Services**—expertise in network design, rollout, integration, operation and customer support within a global structure with robust local capabilities enables Ericsson to better understand and respond to the unique challenges of each customer and capitalize on the trend to outsource a broader range of activities to network equipment suppliers.

**Multimedia**—innovative application platforms, service delivery and revenue management solutions combined with leading content developer and application provider relationships enables Ericsson to uniquely help customers create exciting new and differentiated multimedia services.

**Phones**—The complementary strength of Sony Ericsson Mobile Communications, our joint venture with SONY, further enhances our consumer perspective for superior end-to-end offerings.

The synergies generated by the combined strengths of the segments differentiate the Company through a continuous focus on **operational excellence** to better leverage our economy of scale in technology development as well as in product and service delivery and customer support.

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**NETWORKS***13% operating margin.**1% sales growth year-over-year.*

Ericsson's largest business is network infrastructure, and scale is critical for our continued market leadership. We have worked hard to secure our scale advantage in mobile networks and to strengthen our fixed broadband and core network portfolios. This puts us in an even better position for long-term profitable growth.

**NETWORKS STRATEGY**

There are three core elements to our strategy for maintaining our leadership in mobile networks and further strengthen our position in fixed and converging networks:

1. Technology leadership: Ensuring our customers are first to market with the best networks and end-to-end solutions with the lowest total cost of ownership.
2. Economies of scale: Through lower development and production cost per unit delivered.
3. Operational excellence: Benefiting from efficiency—from R&D, supply and all the way through rollout and operational support.

In short, a company that can deliver the best solutions most efficiently at larger volumes is difficult to beat. Let's look at the progress we've made in key parts of our networks business during the past year.

**EXTENDED LEAD IN MOBILITY**

On the mobile side, we continued to build on our strength in GSM. As we eagerly look toward the future, it is easy to overlook that 2007 was yet another record year for GSM shipments, as global mobile penetration reached almost 50 percent.

We have also expanded our position in 3G/WCDMA/HSPA, with which operators can introduce mobile broadband with such multimedia services as TV, video, music and high-speed Internet access.

Additionally, we have invested in HSPA modules for laptop computers and fixed modems, which will give consumers another way to enjoy mobile broadband services and drive the demand for more mobile broadband capacity.

The road, of course, doesn't stop there. Ericsson is very active in establishing Long-Term Evolution (LTE)—the step beyond 3G that will address operator needs for user demands for an even more powerful and convenient mobile broadband experience.

**A COMPREHENSIVE FIXED BROADBAND PORTFOLIO**

We improved our fixed broadband networks portfolio by continuing our acquisition strategy that began in 2005 with Marconi, which strengthened our transmission offering.

Our January purchase of Redback Networks instantly gave us a strong position for helping operators deliver Internet, telephony, TV and mobile services over IP-based broadband network infrastructures.

In February, we announced our acquisition of Entrisphere, which provides gigabit passive optical networking (GPON) technology for networks that deliver content-rich services to homes and enterprises, e.g. to PCs and high-definition TV.

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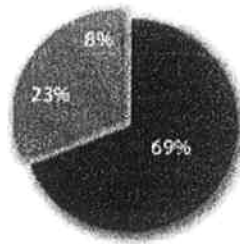
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The key to delivering multimedia services with telecom-grade quality is the core network, where the evolution to Internet Protocol (IP) begins. Ericsson and other industry leaders are expanding the IP Multimedia Subsystem (IMS) foundation for many exciting multimedia applications that people can enjoy on any device wherever they are. Here, our technology and scale advantages mean that our customers will be able to launch and also generate revenues from these services as they benefit from a lower total cost of ownership.

**MILESTONES DURING 2007**

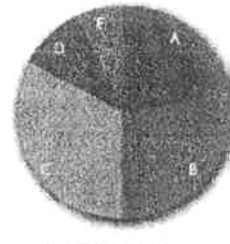
We had a number of significant achievements in 2007:

- In May, mobile operator MTN Nigeria took delivery of Ericsson's millionth GSM radio base station. Since its introduction in 1991, GSM has connected more than 2.6 billion users. Today, Ericsson has deployed GSM networks in more than 100 countries.
- We signed a GSM expansion framework agreement, valued at about USD 1 billion, with China Mobile.
- Vodafone chose Ericsson to be sole supplier of IMS (IP Multimedia Subsystem) in a number of important markets.
- We announced Ericsson Tower Tube, a 5m-diameter, 40m-high flexible concrete radio base station site concept that is better for the environment, cost-efficient to build and run, and visually more attractive.
- We won multi-billion USD contracts to supply GSM and WCDMA/ HSPA equipment and related telecom services to Bharat Sanchar Nigam Ltd (BSNL), and Bharti, the largest telecom operators in India.
- Mobile TeleSystems OJSV (MTS), Russia's leading mobile operator, selected Ericsson to supply and deploy a 3G/HSPA network.
- AT&T chose Ericsson to provide equipment for the planned deployment of GPON for high-bandwidth service delivery, including IP-based video services to homes throughout the US.



**NETWORKS  
SALES OF TOTAL**

- Networks
- Professional Services
- Multimedia



**NETWORKS SALES  
BY REGION**

- A Western Europe 22%
- B Central & Eastern Europe, Middle East and Africa 28%
- C Asia Pacific 33%
- D Latin America 10%
- E North America 7%

- German operator Deutsche Telekom rolled out Ericsson's VDSL2 broadband access solution across Germany's largest cities.

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**A SHIFT IN OUR BUSINESS MIX**

Our business model in Networks is based on a three-part sales mix of build-outs, expansions and upgrades, where we are normally able to offset lower margin network build-out sales by higher margin sales into the installed base.

As 2007 progressed, Networks' business mix had a high proportion of new network buildouts and break-in contracts, where price competition is most intense. The ongoing shift to new switching technology also grew significantly and affected the business mix. Late in the third quarter, the sales in certain markets unexpectedly declined sharply. All of this led to significantly lower gross margin and put pressure on cash conversion.

**GOING FORWARD**

The new network buildouts and break-in contracts will continue to affect the segment's margins, at least for the near term, but our significant market share gains enlarge our footprint for follow-on sales of more networks as well as multimedia and services over the longer term.



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**PROFESSIONAL SERVICES***15% operating margin.**16% sales growth year-over-year.*

Ericsson's services business helps operators generate more revenues, run their businesses more efficiently, and evolve their networks to meet customer demands. Once again, every moment counts—the more time operators can dedicate to adding value to their offering, the more satisfied their customers will be.

**OUR STRATEGY FOR SERVICES GROWTH**

Support Ericsson's mobile, fixed and multimedia solutions. Networks' and Multimedia's global customer base is also the foundation of our services business. Through existing partnerships, we are in a position to provide services that ensure our customers get all the benefits they can from Ericsson's solutions. Through our daily work, we get first-hand insight into each of our customers' technologies, organizations and businesses.

Expand our services business. In addition to the opportunities that arise naturally from our installed base of products and solutions, Ericsson also pursues services business through consulting, systems integration and managed services.

**OUR SERVICES PORTFOLIO**

Our dedicated Professional Services staff—a combination of global competence and local capabilities—gives our customers the freedom to focus more on their customers.

Our competitive strength in professional services comes from our skills and our scale. By applying efficient tools, methods and processes based on our technology leadership, global customer base and local presence, we have further developed and grown our product-based services business as well as managed services and systems integration.

Our services portfolio is based on six primary offerings:

1. **Managed Services** ranging from designing, building, operating and managing day-to-day operations of a customer's network. This also includes hosting of services, applications and enablers as well as providing network coverage and capacity.
2. **Customer Support** for more than 800 networks securing more than 1 billion subscribers around the world. We minimize risks to our customers by making sure networks and services work the way they should.
3. **Systems Integration**, to support customers in integrating new technologies and applications as well as equipment from multiple suppliers, including taking on the broad responsibility of "prime integrator".
4. **Business Consulting** to help customers to identify and address market opportunities, challenges and technology shifts.
5. **Network and Technology Consulting** to help operators plan, design, optimize and evolve their networks.
6. **Educational Services** to ensure that our customers' employees have the skills and competence necessary for working with today's complex technologies.

In addition, we have Network Deployment and Integration which includes rolling out, expanding, restructuring, upgrading and migrating networks.

(Note: This offering is part of and reported under the Networks segment.)